



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR OF HAWAII

CHIYOME L. FUKINO, M.D.
DIRECTOR OF HEALTH

DAVID T. SAKAMOTO, M.D., M.B.A.
ADMINISTRATOR

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January 17, 2006

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Joanne L. Lundstrom
Executive Director/CEO
Mental Health Kokua
1221 Kapiolani Boulevard, Ste 345
Honolulu, HI 96814

Dear Ms. Lundstrom:

The State Health Planning and Development Agency has evaluated Mental Health Kokua's Certificate of Need application #05-32A for a change in service to include the treatment of Specialized Residential Rehabilitation consumers at 138 N. Central Avenue, Wailuku, HI at no capital cost.

Pursuant to Title 11, Chapter 186 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

1. This proposal is eligible for administrative review as it meets the criterion in Section 11-186-99.1(b)(6), i.e.: "any proposal which is determined by the agency not to have a significant impact on the health care system."
2. Mental Health Kokua (the "applicant") has proven by a preponderance of evidence that its proposal meets the Certificate of Need criteria in Section 11-186-15, HAR:
 - a. The applicant states that "The target population for this project are adults, 18 years or older, who have mental illness and are in need of residential services."
 - b. The applicant states that "The need for Crisis Residential was established in Application 04-06A. The need for Specialized Residential Rehabilitation Services is the same."
 - c. The applicant states that its proposal will positively impact the behavioral health process measures in Chapter XI of H2P2: BHP-1 (comprehensive spectrum of care), BHP-2 (continuity of care), and BHP-3 (accessibility of services) as well as the behavioral health outcome measures: BHO-5 (incidence/prevalence of mental illness), BHO-6 (consumer satisfaction), BHO-7 (relapse/recidivism), and BHO-8 (positive involvement after treatment program).

- d. The applicant states that its services "...will be accessible to all residents of Maui County, including all underserved populations."
- e. The applicant states that the quality criteria for this facility were met in application 04-06A and that there "are no other Quality considerations for this application."
- f. The applicant states the proposed services will improve the quality of care by: providing medication management/monitoring by psychiatric nurses under the direction of a psychiatrist 24 hours per day, 7 days a week, providing on-going quality assurance monitoring, maintaining appropriate staff to consumer ratios, maintaining a qualified staff consisting of clinical and bachelor level behavioral health specialists, including full-time, on-site Registered Nurses as well as a psychiatrist available on-call 24/7.
- g. The applicant states that "No additional Capital expenditures are required for this change in service."
- h. The applicant states that "The operating funds are available through Adult Mental Health Division Contract."
- i. The applicant states that no new staff is required for the project.

There is no compelling public interest which will be served by requiring the application to go through the standard review process.

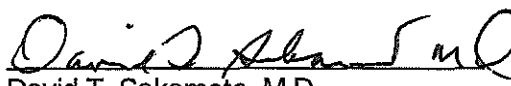
As required under Section 323D-43(b), Hawaii Revised Statutes (HRS), the Agency finds that:

1. There is a public need for this proposal.
2. The cost of the service will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

Accordingly, the State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to Mental Health Kokua for the proposal described in application #05-32A. There is no capital expenditure authorized under this approval.

Please be advised that pursuant to Section 323D-47, HRS and Section 11-186-99.1(g) HAR, any person may, for good cause shown, request in writing a public hearing for reconsideration of the Agency's decision within ten working days from the date of this decision. Accordingly, if no person makes such a timely request for reconsideration, this decision shall become final immediately after the deadline for making such a request has expired.

C: OHCA

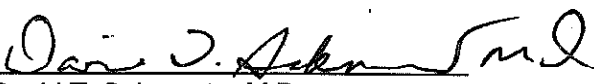

David T. Sakamoto, M.D.
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative Review Decision was duly served upon the applicant by sending it by certified mail, return receipt requested, in the United States Postal Service addressed as follows on January 17, 2006:

Joanne L. Lundstrom
Executive Director/CEO
Mental Health Kokua
1221 Kapiolani Boulevard, Ste 345
Honolulu, HI 96814

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Administrator